

106TH CONGRESS
1ST SESSION

H. R. 707

AN ACT

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a program for predisaster mitigation, to streamline the administration of disaster relief, to control the Federal costs of disaster assistance, and for other purposes.

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To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a program for predisaster mitigation, to streamline the administration of disaster relief, to control the Federal costs of disaster assistance, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Disaster Mitigation
5 and Cost Reduction Act of 1999”.

6 **SEC. 2. AMENDMENTS TO ROBERT T. STAFFORD DISASTER**
7 **RELIEF AND EMERGENCY ASSISTANCE ACT.**

8 Except as otherwise specifically provided, whenever in
9 this Act an amendment or repeal is expressed in terms
10 of an amendment to, or repeal of, a section or other provi-
11 sion of law, the reference shall be considered to be made
12 to a section or other provision of the Robert T. Stafford
13 Disaster Relief and Emergency Assistance Act (42 U.S.C.
14 5121 et seq.).

15 **TITLE I—PREDISASTER HAZARD**
16 **MITIGATION**

17 **SEC. 101. FINDINGS AND PURPOSE.**

18 (a) FINDINGS.—Congress finds that—

19 (1) greater emphasis needs to be placed on
20 identifying and assessing the risks to State and local
21 communities and implementing adequate measures
22 to reduce losses from natural disasters and to ensure
23 that critical facilities and public infrastructure will
24 continue to function after a disaster;

1 (2) expenditures for post-disaster assistance are
2 increasing without commensurate reduction in the
3 likelihood of future losses from such natural disas-
4 ters;

5 (3) a high priority in the expenditure of Federal
6 funds under the Robert T. Stafford Disaster Relief
7 and Emergency Assistance Act should be to imple-
8 ment predisaster activities at the local level; and

9 (4) with a unified effort of economic incentives,
10 awareness and education, technical assistance, and
11 demonstrated Federal support, States and local com-
12 munities will be able to increase their capabilities to
13 form effective community-based partnerships for
14 mitigation purposes, implement effective natural dis-
15 aster mitigation measures that reduce the risk of fu-
16 ture damage, hardship, and suffering, ensure contin-
17 ued functioning of critical facilities and public infra-
18 structure, leverage additional non-Federal resources
19 into meeting disaster resistance goals, and make
20 commitments to long-term mitigation efforts in new
21 and existing structures.

22 (b) PURPOSE.—It is the purpose of this title to estab-
23 lish a predisaster hazard mitigation program that—

1 (1) reduces the loss of life and property, human
2 suffering, economic disruption, and disaster assist-
3 ance costs resulting from natural hazards; and

4 (2) provides a source of predisaster hazard
5 mitigation funding that will assist States and local
6 governments in implementing effective mitigation
7 measures that are designed to ensure the continued
8 functioning of critical facilities and public infrastruc-
9 ture after a natural disaster.

10 **SEC. 102. STATE MITIGATION PROGRAM.**

11 Section 201(c) (42 U.S.C. 5131(c)) is amended—

12 (1) by striking “and” at the end of paragraph
13 (1);

14 (2) by striking the period at the end of para-
15 graph (2) and inserting “; and”; and

16 (3) by adding at the end the following:

17 “(3) set forth, with the ongoing cooperation of
18 local governments and consistent with section 409, a
19 comprehensive and detailed State program for miti-
20 gating against emergencies and major disasters, in-
21 cluding provisions for prioritizing mitigation meas-
22 ures.”.

23 **SEC. 103. DISASTER ASSISTANCE PLANS.**

24 Section 201(d) (42 U.S.C. 5131(d)) is amended to
25 read as follows:

1 “(d) GRANTS FOR DISASTER ASSISTANCE AND HAZ-
2 ARD IDENTIFICATION.—The President is authorized to
3 make grants for—

4 “(1) not to exceed 50 percent of the cost of im-
5 proving, maintaining, and updating State disaster
6 assistance plans including, consistent with section
7 409, evaluation of natural hazards and development
8 of the programs and actions required to mitigate
9 such hazards; and

10 “(2) the development and application of im-
11 proved floodplain mapping technologies that can be
12 used by Federal, State, and local governments and
13 that the President determines will likely result in
14 substantial savings over current floodplain mapping
15 methods.”.

16 **SEC. 104. PREDISASTER HAZARD MITIGATION.**

17 Title II (42 U.S.C. 5131–5132) is amended by add-
18 ing at the end the following:

19 **“SEC. 203. PREDISASTER HAZARD MITIGATION.**

20 “(a) GENERAL AUTHORITY.—The President may es-
21 tablish a program to provide financial assistance to States
22 and local governments for the purpose of undertaking
23 predisaster hazard mitigation activities that are cost effec-
24 tive and substantially reduce the risk of future damage,
25 hardship, or suffering from a major disaster.

1 “(b) PURPOSE OF ASSISTANCE.—

2 “(1) IN GENERAL.—Except as provided in para-
3 graph (2), a State or local government that receives
4 financial assistance under this section shall use the
5 assistance for funding activities that are cost effec-
6 tive and substantially reduce the risk of future dam-
7 age, hardship, or suffering from a major disaster.

8 “(2) DISSEMINATION.—The State or local gov-
9 ernment may use not more than 10 percent of finan-
10 cial assistance it receives under this section in a fis-
11 cal year for funding activities to disseminate infor-
12 mation regarding cost effective mitigation tech-
13 nologies (such as preferred construction practices
14 and materials), including establishing and maintain-
15 ing centers for protection against natural disasters
16 to carry out such dissemination.

17 “(c) ALLOCATION OF FUNDS.—The amount of finan-
18 cial assistance to be made available to a State, including
19 amounts made available to local governments of such
20 State, under this section in a fiscal year shall—

21 “(1) not be less than the lesser of \$500,000 or
22 1.0 percent of the total funds appropriated to carry
23 out this section for such fiscal year; but

24 “(2) not exceed 15 percent of such total funds.

1 “(d) CRITERIA.—Subject to the limitations of sub-
2 sections (c) and (e), in determining whether to provide as-
3 sistance to a State or local government under this section
4 and the amount of such assistance, the President shall
5 consider the following criteria:

6 “(1) The clear identification of prioritized cost-
7 effective mitigation activities that produce meaning-
8 ful and definable outcomes.

9 “(2) If the State has submitted a mitigation
10 program in cooperation with local governments
11 under section 201(c), the degree to which the activi-
12 ties identified in paragraph (1) are consistent with
13 the State mitigation program.

14 “(3) The extent to which assistance will fund
15 activities that mitigate hazards evaluated under sec-
16 tion 409.

17 “(4) The opportunity to fund activities that
18 maximize net benefits to society.

19 “(5) The ability of the State or local govern-
20 ment to fund mitigation activities.

21 “(6) The extent to which assistance will fund
22 mitigation activities in small impoverished commu-
23 nities.

24 “(7) The level of interest by the private sector
25 to enter into a partnership to promote mitigation.

1 “(8) Such other criteria as the President estab-
2 lishes in consultation with State and local govern-
3 ments.

4 “(e) STATE NOMINATIONS.—

5 “(1) IN GENERAL.—The Governor of each State
6 may recommend to the President not less than 5
7 local governments to receive assistance under this
8 section. The recommendations shall be submitted to
9 the President not later than October 1, 1999, and
10 each October 1st thereafter or such later date in the
11 year as the President may establish. In making such
12 recommendations, the Governors shall consider the
13 criteria identified in subsection (d).

14 “(2) USE.—

15 “(A) GENERAL RULE.—In providing as-
16 sistance to local governments under this sec-
17 tion, the President shall select from local gov-
18 ernments recommended by the Governors under
19 this subsection.

20 “(B) WAIVER.—Upon request of a local
21 government, the President may waive the limi-
22 tation in subparagraph (A) if the President de-
23 termines that extraordinary circumstances jus-
24 tify the waiver and that granting the waiver will
25 further the purpose of this section.

1 “(3) EFFECT OF FAILURE TO NOMINATE.—If a
2 Governor of a State fails to submit recommendations
3 under this subsection in a timely manner, the Presi-
4 dent may select, subject to the criteria in subsection
5 (d), any local governments of the State to receive as-
6 sistance under this section.

7 “(f) SMALL IMPOVERISHED COMMUNITIES.—For the
8 purpose of this section, the term ‘small impoverished com-
9 munities’ means communities of 3,000 or fewer individuals
10 that are economically disadvantaged, as determined by the
11 State in which the community is located and based on cri-
12 teria established by the President.

13 “(g) FEDERAL SHARE.—Financial assistance pro-
14 vided under this section may contribute up to 75 percent
15 of the total cost of mitigation activities approved by the
16 President; except that the President may contribute up to
17 90 percent of the total cost of mitigation activities in small
18 impoverished communities.

19 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
20 is authorized to be appropriated to carry out this section
21 \$25,000,000 for fiscal year 1999 and \$80,000,000 for fis-
22 cal year 2000.

23 “(i) AUTHORIZATION OF SECTION 404 FUNDS.—Ef-
24 fective October 1, 2000, in addition to amounts appro-
25 priated under subsection (h) from only appropriations en-

1 acted after October 1, 2000, the President may use, to
2 carry out this section, funds that are appropriated to carry
3 out section 404 for post-disaster mitigation activities that
4 have not been obligated within 30 months of the disaster
5 declaration upon which the funding availability is based.

6 “(j) REPORT ON FEDERAL AND STATE ADMINISTRA-
7 TION.—Not later than 18 months after the date of the
8 enactment of the Disaster Mitigation and Cost Reduction
9 Act of 1999, the President, in consultation with State and
10 local governments, shall transmit to Congress a report
11 evaluating efforts to implement this section and rec-
12 ommending a process for transferring greater authority
13 and responsibility for administering the assistance pro-
14 gram authorized by this section to capable States.”.

15 **SEC. 105. INTERAGENCY TASK FORCE.**

16 The President shall establish an interagency task
17 force for the purpose of coordinating the implementation
18 of the predisaster hazard mitigation program authorized
19 by section 203 of the Robert T. Stafford Disaster Relief
20 and Emergency Assistance Act. The Director of the Fed-
21 eral Emergency Management Agency shall chair such task
22 force.

1 **SEC. 106. MAXIMUM CONTRIBUTION FOR MITIGATION**
2 **COSTS.**

3 (a) IN GENERAL.—Section 404(a) (42 U.S.C.
4 5170c(a)) is amended by striking “15 percent” and insert-
5 ing “20 percent”.

6 (b) APPLICABILITY.—The amendment made by sub-
7 section (a) shall apply to major disasters declared under
8 the Robert T. Stafford Disaster Relief Act and Emergency
9 Assistance Act after January 1, 1997.

10 **SEC. 107. CONFORMING AMENDMENT.**

11 The heading for title II is amended to read as follows:

12 **“TITLE II—DISASTER PREPARED-**
13 **NESS AND MITIGATION AS-**
14 **SISTANCE”.**

15 **TITLE II—STREAMLINING AND**
16 **COST REDUCTION**

17 **SEC. 201. MANAGEMENT COSTS.**

18 (a) IN GENERAL.—Title III (42 U.S.C. 5141–5164)
19 is amended by adding at the end the following:

20 **“SEC. 322. MANAGEMENT COSTS.**

21 **“(a) IN GENERAL.—**Notwithstanding any other pro-
22 vision of law (including any administrative rule or guid-
23 ance), the President shall establish by rule management
24 cost rates for grantees and subgrantees. Such rates shall
25 be used to determine contributions under this Act for
26 management costs.

1 “(b) MANAGEMENT COSTS DEFINED.—Management
2 costs include indirect costs, administrative expenses, asso-
3 ciated expenses, and any other expenses not directly
4 chargeable to a specific project under a major disaster,
5 emergency, or emergency preparedness activity or meas-
6 ure. Such costs include the necessary costs of requesting,
7 obtaining, and administering Federal assistance and costs
8 incurred by a State for preparation of damage survey re-
9 ports, final inspection reports, project applications, final
10 audits, and related field inspections by State employees,
11 including overtime pay and per diem and travel expenses
12 of such employees, but not including pay for regular time
13 of such employees.

14 “(c) REVIEW.—The President shall review the man-
15 agement cost rates established under subsection (a) not
16 later than 3 years after the date of establishment of such
17 rates and periodically thereafter.”.

18 (b) APPLICABILITY.—Section 322 of the Robert T.
19 Stafford Disaster Relief and Emergency Assistance Act
20 (as added by subsection (a) of this section) shall apply
21 as follows:

22 (1) Subsections (a) and (b) of such section 322
23 shall apply to major disasters declared under such
24 Act on or after the date of the enactment of this
25 Act. Until the date on which the President estab-

lishes the management cost rates under such subsection, section 406(f) shall be used for establishing such rates.

(2) Subsection (c) of such section 322 shall apply to major disasters declared under such Act on or after the date on which the President establishes such rates under subsection (a) of such section 322.

SEC. 202. ASSISTANCE TO REPAIR, RESTORE, RECONSTRUCT, OR REPLACE DAMAGED FACILITIES.

(a) CONTRIBUTIONS.—Section 406(a) (42 U.S.C. 5172(a)) is amended to read as follows:

“(a) CONTRIBUTIONS.—

“(1) IN GENERAL.—The President may make contributions—

“(A) to a State or local government for the repair, restoration, reconstruction, or replacement of a public facility which is damaged or destroyed by a major disaster and for associated expenses incurred by such government; and

“(B) subject to paragraph (2), to a person who owns or operates a private nonprofit facility damaged or destroyed by a major disaster for the repair, restoration, reconstruction, or re-

1 placement of such facility and for associated ex-
2 penses incurred by such person.

3 “(2) CONDITIONS FOR ASSISTANCE TO PRIVATE
4 NONPROFIT FACILITIES.—

5 “(A) IN GENERAL.—The President may
6 make contributions to a private nonprofit facil-
7 ity under paragraph (1)(B) only if—

8 “(i) the facility provides critical serv-
9 ices (as defined by the President) in the
10 event of a major disaster; or

11 “(ii)(I) the owner or operator of the
12 facility has applied for a disaster loan
13 under section 7(b) of the Small Business
14 Act (15 U.S.C. 636(b)); and

15 “(II) has been determined to be ineli-
16 gible for such a loan; or

17 “(III) has obtained such a loan in the
18 maximum amount for which the Small
19 Business Administration determines the fa-
20 cility is eligible.

21 “(B) CRITICAL SERVICES DEFINED.—In
22 this paragraph, the term ‘critical services’ in-
23 cludes, but is not limited to, power, water,
24 sewer, wastewater treatment, communications,
25 and emergency medical care.”.

1 (b) MINIMUM FEDERAL SHARE.—Section 406(b) (42
2 U.S.C. 5172(b)) is amended to read as follows:

3 “(b) MINIMUM FEDERAL SHARE.—The Federal
4 share of assistance under this section shall be not less
5 than 75 percent of the eligible cost of repair, restoration,
6 reconstruction, or replacement carried out under this sec-
7 tion.”.

8 (c) LARGE IN-LIEU CONTRIBUTIONS.—Section
9 406(c) (42 U.S.C. 5172(c)) is amended to read as follows:

10 “(c) LARGE IN-LIEU CONTRIBUTIONS.—

11 “(1) FOR PUBLIC FACILITIES.—

12 “(A) IN GENERAL.—In any case in which
13 a State or local government determines that the
14 public welfare would not be best served by re-
15 pairing, restoring, reconstructing, or replacing
16 any public facility owned or controlled by such
17 State or local government, the State or local
18 government may elect to receive, in lieu of a
19 contribution under subsection (a)(1)(A), a con-
20 tribution of 75 percent of the Federal share of
21 the Federal estimate of the cost of repairing,
22 restoring, reconstructing, or replacing such fa-
23 cility and of management expenses.

24 “(B) AREAS WITH UNSTABLE SOIL.—In
25 any case in which a State or local government

determines that the public welfare would not be best served by repairing, restoring, reconstructing, or replacing any public facility owned or controlled by such State or local government because soil instability in the disaster area makes such repair, restoration, reconstruction, or replacement infeasible, the State or local government may elect to receive, in lieu of a contribution under subsection (a)(1)(A), a contribution of 90 percent of the Federal share of the Federal estimate of the cost of repairing, restoring, reconstructing, or replacing such facility and of management expenses.

“(C) USE OF FUNDS.—Funds contributed to a State or local government under this paragraph may be used to repair, restore, or expand other selected public facilities, to construct new facilities, or to fund hazard mitigation measures which the State or local government determines to be necessary to meet a need for governmental services and functions in the area affected by the major disaster.

“(2) FOR PRIVATE NONPROFIT FACILITIES.—

“(A) IN GENERAL.—In any case where a person who owns or operates a private nonprofit

1 facility determines that the public welfare would
2 not be best served by repairing, restoring, re-
3 constructing, or replacing such facility, such
4 person may elect to receive, in lieu of a con-
5 tribution under subsection (a)(1)(B), a con-
6 tribution of 75 percent of the Federal share of
7 the Federal estimate of the cost of repairing,
8 restoring, reconstructing, or replacing such fa-
9 cility and of management expenses.

10 “(B) USE OF FUNDS.—Funds contributed
11 to a person under this paragraph may be used
12 to repair, restore, or expand other selected pri-
13 vate nonprofit facilities owned or operated by
14 the person, to construct new private nonprofit
15 facilities to be owned or operated by the person,
16 or to fund hazard mitigation measures that the
17 person determines to be necessary to meet a
18 need for its services and functions in the area
19 affected by the major disaster.

20 “(3) MODIFICATION OF FEDERAL SHARE.—The
21 President shall modify the Federal share of the cost
22 estimate provided in paragraphs (1) and (2) if the
23 President determines an alternative cost share will
24 likely reduce the total amount of Federal assistance
25 provided under this section. The Federal cost share

1 for purposes of paragraphs (1) and (2) shall not ex-
2 ceed 90 percent and shall not be less than 50 per-
3 cent.”.

4 (d) ELIGIBLE COST.—

5 (1) IN GENERAL.—Section 406(e) (42 U.S.C.
6 5172(e)) is amended to read as follows:

7 “(e) ELIGIBLE COST.—

8 “(1) IN GENERAL.—For the purposes of this
9 section, the estimate of the cost of repairing, restor-
10 ing, reconstructing, or replacing a public facility or
11 private nonprofit facility on the basis of the design
12 of such facility as it existed immediately before the
13 major disaster and in conformity with current appli-
14 cable codes, specifications, and standards (including
15 floodplain management and hazard mitigation cri-
16 teria required by the President or by the Coastal
17 Barrier Resources Act (16 U.S.C. 3501 et seq.))
18 shall be treated as the eligible cost of such repair,
19 restoration, reconstruction, or replacement. Subject
20 to paragraph (2), the President shall use the cost es-
21 timation procedures developed under paragraph (3)
22 to make the estimate under this paragraph.

23 “(2) MODIFICATION OF ELIGIBLE COST.—In
24 the event the actual cost of repairing, restoring, re-
25 constructing, or replacing a facility under this sec-

1 tion is more than 120 percent or less than 80 per-
2 cent of the cost estimated under paragraph (1), the
3 President may determine that the eligible cost be the
4 actual cost of such repair, restoration, reconstruc-
5 tion, or replacement. The government or person re-
6 ceiving assistance under this section shall reimburse
7 the President for the portion of such assistance that
8 exceeds the eligible cost of such repair, restoration,
9 reconstruction, or replacement.

10 “(3) USE OF SURPLUS FUNDS.—In the event
11 the actual cost of repairing, restoring, reconstruct-
12 ing, or replacing a facility under this section is less
13 than 100 percent but not less than 80 percent of the
14 cost estimated under paragraph (1), the government
15 or person receiving assistance under this section
16 shall use any surplus funds to perform activities that
17 are cost-effective and reduce the risk of future dam-
18 age, hardship, or suffering from a major disaster.

19 “(4) EXPERT PANEL.—Not later than 18
20 months after the date of the enactment of the Disas-
21 ter Mitigation and Cost Reduction Act of 1999, the
22 President, acting through the Director of the Fed-
23 eral Emergency Management Agency, shall establish
24 an expert panel, including representatives from the
25 construction industry, to develop procedures for esti-

1 mating the cost of repairing, restoring, reconstruct-
2 ing, or replacing a facility consistent with industry
3 practices.

4 “(5) SPECIAL RULE.—In any case in which the
5 facility being repaired, restored, reconstructed, or re-
6 placed under this section was under construction on
7 the date of the major disaster, the cost of repairing,
8 restoring, reconstructing, or replacing such facility
9 shall include, for purposes of this section, only those
10 costs which, under the contract for such construc-
11 tion, are the owner’s responsibility and not the con-
12 tractor’s responsibility.”.

13 (2) EFFECTIVE DATE.—The amendment made
14 by paragraph (1) shall take effect on the date of the
15 enactment of this Act, and shall only apply to funds
16 appropriated after the date of the enactment of this
17 Act; except that paragraph (1) of section 406(e) of
18 the Robert T. Stafford Disaster Relief and Emer-
19 gency Assistance Act (as amended by paragraph (1)
20 of this subsection) shall take effect on the date that
21 the procedures developed under paragraph (3) of
22 such section take effect.

23 (e) ASSOCIATED EXPENSES.—

24 (1) IN GENERAL.—Section 406 (42 U.S.C.
25 4172) is amended by striking subsection (f).

1 (2) OTHER ELIGIBLE COSTS.—Section 406(e)
2 (42 U.S.C. 5172(e)), as amended by subsection (d)
3 of this section, is amended by adding at the end the
4 following:

5 “(6) OTHER ELIGIBLE COSTS.—For purposes of
6 this section, other eligible costs include the following:

7 “(A) COSTS OF NATIONAL GUARD.—The
8 cost of mobilizing and employing the National
9 Guard for performance of eligible work.

10 “(B) COSTS OF PRISON LABOR.—The costs
11 of using prison labor to perform eligible work,
12 including wages actually paid, transportation to
13 a worksite, and extraordinary costs of guards,
14 food, and lodging.

15 “(C) OTHER LABOR COSTS.—Base and
16 overtime wages for an applicant’s employees
17 and extra hires performing eligible work plus
18 fringe benefits on such wages to the extent that
19 such benefits were being paid before the disaster.”.

21 (3) EFFECTIVE DATE.—Paragraphs (1) and (2)
22 shall take effect on the date on which the President
23 establishes management cost rates under section
24 322(a) of the Robert T. Stafford Disaster Relief and
25 Emergency Assistance Act (as added by section

1 201(a) of this Act). The amendment made by para-
2 graph (1) shall only apply to disasters declared by
3 the President under such Act after the date on
4 which the President establishes such cost rates.

5 **SEC. 203. FEDERAL ASSISTANCE TO INDIVIDUALS AND**
6 **HOUSEHOLDS.**

7 (a) IN GENERAL.—Section 408 (42 U.S.C. 5174) is
8 amended to read as follows:

9 **“SEC. 408. FEDERAL ASSISTANCE TO INDIVIDUALS AND**
10 **HOUSEHOLDS.**

11 “(a) GENERAL AUTHORITY.—Subject to the require-
12 ments of this section, the President, in consultation with
13 the Governor of the affected State, may provide financial
14 assistance, and, if necessary, direct services, to disaster
15 victims who as a direct result of a major disaster have
16 necessary expenses and serious needs where such victims
17 are unable to meet such expenses or needs through other
18 means. Under the preceding sentence, a victim shall not
19 be denied assistance under subsections (c)(1), (c)(3), or
20 (c)(4), solely on the basis that the victim has not applied
21 for or received any loan or other financial assistance from
22 the Small Business Administration or any other Federal
23 agency.

24 “(b) HOUSING ASSISTANCE.—

1 “(1) ELIGIBILITY.—The President may provide
2 financial or other assistance under this section to in-
3 dividuals and families to respond to the disaster-re-
4 lated housing needs of those who are displaced from
5 their predisaster primary residences or whose
6 predisaster primary residences are rendered un-
7 inhabitable as a result of damage caused by a major
8 disaster.

9 “(2) DETERMINATION OF APPROPRIATE TYPES
10 OF ASSISTANCE.—The President shall determine ap-
11 propriate types of housing assistance to be provided
12 to disaster victims under this section based upon
13 considerations of cost effectiveness, convenience to
14 disaster victims, and such other factors as the Presi-
15 dent may consider appropriate. One or more types of
16 housing assistance may be made available, based on
17 the suitability and availability of the types of assist-
18 ance, to meet the needs of disaster victims in the
19 particular disaster situation.

20 “(c) TYPES OF HOUSING ASSISTANCE.—

21 “(1) TEMPORARY HOUSING.—

22 “(A) FINANCIAL ASSISTANCE.—

23 “(i) IN GENERAL.—The President
24 may provide financial assistance under this
25 section to individuals or households to rent

1 alternate housing accommodations, existing
2 rental units, manufactured housing, rec-
3 reational vehicles, or other readily fab-
4 ricated dwellings.

5 “(ii) AMOUNT.—The amount of as-
6 sistance under clause (i) shall be based on
7 the fair market rent for the accommoda-
8 tion being furnished plus the cost of any
9 transportation, utility hookups, or unit in-
10 stallation not being directly provided by
11 the President.

12 “(B) DIRECT ASSISTANCE.—

13 “(i) IN GENERAL.—The President
14 may also directly provide under this section
15 housing units, acquired by purchase or
16 lease, to individuals or households who, be-
17 cause of a lack of available housing re-
18 sources, would be unable to make use of
19 the assistance provided under subpara-
20 graph (A).

21 “(ii) PERIOD OF ASSISTANCE.—The
22 President may not provide direct assist-
23 ance under clause (i) with respect to a
24 major disaster after the expiration of the
25 18-month period beginning on the date of

1 the declaration of the major disaster by the
2 President, except that the President may
3 extend such period if the President deter-
4 mines that due to extraordinary cir-
5 cumstances an extension would be in the
6 public interest.

7 “(iii) COLLECTION OF RENTAL
8 CHARGES.—After the expiration of the 18-
9 month period referred to in clause (ii), the
10 President may charge fair market rent for
11 the accommodation being provided.

12 “(2) REPAIRS.—The President may provide fi-
13 nancial assistance for the repair of owner-occupied
14 private residences, utilities, and residential infra-
15 structure (such as private access routes) damaged by
16 a major disaster to a habitable or functioning condi-
17 tion. A recipient of assistance provided under this
18 paragraph need not show that the assistance can be
19 met through other means, except insurance proceeds,
20 if the assistance is used for emergency repairs to
21 make a private residence habitable and does not ex-
22 ceed \$5,000 (based on fiscal year 1998 constant dol-
23 lars).

24 “(3) REPLACEMENT.—The President may pro-
25 vide financial assistance for the replacement of

1 owner-occupied private residences damaged by a
2 major disaster. Assistance provided under this para-
3 graph shall not exceed \$10,000 (based on fiscal year
4 1998 constant dollars). The President may not waive
5 any provision of Federal law requiring the purchase
6 of flood insurance as a condition for the receipt of
7 Federal disaster assistance with respect to assist-
8 ance provided under this paragraph.

9 “(4) PERMANENT HOUSING CONSTRUCTION.—
10 The President may provide financial assistance or
11 direct assistance under this section to individuals or
12 households to construct permanent housing in insu-
13 lar areas outside the continental United States and
14 other remote locations in cases in which—

15 “(A) no alternative housing resources are
16 available; and

17 “(B) the types of temporary housing as-
18 sistance described in paragraph (1) are unavail-
19 able, infeasible, or not cost effective.

20 “(d) TERMS AND CONDITIONS RELATING TO HOUS-
21 ING ASSISTANCE.—

22 “(1) SITES.—Any readily fabricated dwelling
23 provided under this section shall, whenever possible,
24 be located on a site complete with utilities, and shall
25 be provided by the State or local government, by the

1 owner of the site, or by the occupant who was dis-
2 placed by the major disaster. Readily fabricated
3 dwellings may be located on sites provided by the
4 President if the President determines that such sites
5 would be more economical or accessible.

6 “(2) DISPOSAL OF UNITS.—

7 “(A) SALE TO OCCUPANTS.—

8 “(i) IN GENERAL.—Notwithstanding
9 any other provision of law, a temporary
10 housing unit purchased under this section
11 by the President for the purposes of hous-
12 ing disaster victims may be sold directly to
13 the individual or household who is occupy-
14 ing the unit if the individual or household
15 needs permanent housing.

16 “(ii) SALES PRICE.—Sales of tem-
17 porary housing units under clause (i) shall
18 be accomplished at prices that are fair and
19 equitable.

20 “(iii) DEPOSIT OF PROCEEDS.—Not-
21 withstanding any other provision of law,
22 the proceeds of a sale under clause (i) shall
23 be deposited into the appropriate Disaster
24 Relief Fund account.

1 “(iv) USE OF GSA SERVICES.—The
2 President may use the services of the Gen-
3 eral Services Administration to accomplish
4 a sale under clause (i).

5 “(B) OTHER METHODS OF DISPOSAL.—

6 “(i) SALE.—If not disposed of under
7 subparagraph (A), a temporary housing
8 unit purchased by the President for the
9 purposes of housing disaster victims may
10 be resold.

11 “(ii) DISPOSAL TO GOVERNMENTS
12 AND VOLUNTARY ORGANIZATIONS.—A tem-
13 porary housing unit described in clause (i)
14 may also be sold, transferred, donated, or
15 otherwise made available directly to a
16 State or other governmental entity or to a
17 voluntary organization for the sole purpose
18 of providing temporary housing to disaster
19 victims in major disasters and emergencies
20 if, as a condition of such sale, transfer, or
21 donation, the State, other governmental
22 agency, or voluntary organization agrees to
23 comply with the nondiscrimination provi-
24 sions of section 308 and to obtain and

1 maintain hazard and flood insurance on
2 the housing unit.

3 “(e) FINANCIAL ASSISTANCE TO ADDRESS OTHER
4 NEEDS.—

5 “(1) MEDICAL, DENTAL, AND FUNERAL EX-
6 PENSES.—The President, in consultation with the
7 Governor of the affected State, may provide financial
8 assistance under this section to an individual or
9 household adversely affected by a major disaster to
10 meet disaster-related medical, dental, and funeral
11 expenses.

12 “(2) PERSONAL PROPERTY, TRANSPORTATION,
13 AND OTHER EXPENSES.—The President, in con-
14 sultation with the Governor of the affected State,
15 may provide financial assistance under this section
16 to an individual or household described in paragraph
17 (1) to address personal property, transportation, and
18 other necessary expenses or serious needs resulting
19 from the major disaster.

20 “(f) STATE ROLE.—The President shall provide for
21 the substantial and ongoing involvement of the affected
22 State in administering the assistance under this section.

23 “(g) MAXIMUM AMOUNT OF ASSISTANCE.—No indi-
24 vidual or household shall receive financial assistance great-
25 er than \$25,000 under this section with respect to a single

1 major disaster. Such limit shall be adjusted annually to
 2 reflect changes in the Consumer Price Index for all Urban
 3 Consumers published by the Department of Labor.

4 “(h) ISSUANCE OF REGULATIONS.—The President
 5 shall issue rules and regulations to carry out the program,
 6 including criteria, standards, and procedures for determin-
 7 ing eligibility for assistance.”.

8 (b) CONFORMING AMENDMENT.—Section 502(a)(6)
 9 (42 U.S.C. 5192(a)(6)) is amended by striking “tem-
 10 porary housing”.

11 (c) ELIMINATION OF INDIVIDUAL AND FAMILY
 12 GRANT PROGRAMS.—Title IV (42 U.S.C. 5170–5189a) is
 13 amended by striking section 411 (42 U.S.C. 5178).

14 (d) EFFECTIVE DATE.—The amendments made by
 15 this section shall take effect on the 545th day following
 16 the date of the enactment of this Act.

17 **SEC. 204. REPEALS.**

18 (a) COMMUNITY DISASTER LOANS.—Section 417 (42
 19 U.S.C. 5184) is repealed.

20 (b) SIMPLIFIED PROCEDURE.—Section 422 (42
 21 U.S.C. 5189) is repealed.

22 **SEC. 205. STATE ADMINISTRATION OF HAZARD MITIGATION**
 23 **PROGRAM.**

24 Section 404 (42 U.S.C. 5170c) is amended by adding
 25 at the end the following:

1 “(c) PROGRAM ADMINISTRATION BY STATES.—

2 “(1) IN GENERAL.—A State desiring to admin-
3 ister the hazard mitigation assistance program es-
4 tablished by this section with respect to hazard miti-
5 gation assistance in the State may submit to the
6 President an application for the delegation of such
7 authority.

8 “(2) CRITERIA.—The President, in consultation
9 with States and local governments, shall establish
10 criteria for the approval of applications submitted
11 under paragraph (1). The criteria shall include, at a
12 minimum, the following:

13 “(A) The demonstrated ability of the State
14 to manage the grant program under this sec-
15 tion.

16 “(B) Submission of the plan required
17 under section 201(c).

18 “(C) A demonstrated commitment to miti-
19 gation activities.

20 “(3) APPROVAL.—The President shall approve
21 an application submitted under paragraph (1) that
22 meets the criteria established under paragraph (2).

23 “(4) WITHDRAWAL OF APPROVAL.—If, after
24 approving an application of a State submitted under
25 paragraph (1), the President determines that the

1 State is not administering the hazard mitigation as-
 2 sistance program established by this section in a
 3 manner satisfactory to the President, the President
 4 shall withdraw such approval.

5 “(5) AUDITS.—The President shall provide for
 6 periodic audits of the hazard mitigation assistance
 7 programs administered by States under this sub-
 8 section.”.

9 **SEC. 206. STATE ADMINISTRATION OF DAMAGED FACILI-**
 10 **TIES PROGRAM.**

11 (a) PILOT PROGRAM.—In cooperation with States
 12 and local governments and in coordination with efforts to
 13 streamline the delivery of disaster relief assistance, the
 14 President shall conduct a pilot program for the purpose
 15 of determining the desirability of State administration of
 16 parts of the assistance program established by section 406
 17 of the Robert T. Stafford Disaster Relief and Emergency
 18 Assistance Act (42 U.S.C. 5172).

19 (b) STATE PARTICIPATION.—

20 (1) CRITERIA.—The President may establish
 21 criteria in order to ensure the appropriate implemen-
 22 tation of the pilot program under subsection (a).

23 (2) MINIMUM NUMBER OF STATES.—The Presi-
 24 dent shall conduct the pilot program under sub-
 25 section (a) in at least 2 States.

1 (c) REPORT.—Not later than 3 years after the date
2 of the enactment of this Act, the President shall transmit
3 to Congress a report describing the results of the pilot pro-
4 gram conducted under subsection (a), including identify-
5 ing any administrative or financial benefits. Such report
6 shall also include recommendations on the conditions, if
7 any, under which States should be allowed the option to
8 administer parts of the assistance program under section
9 406 of the Robert T. Stafford Disaster Relief and Emer-
10 gency Assistance Act (42 U.S.C. 5172).

11 **SEC. 207. STUDY REGARDING COST REDUCTION.**

12 Not later than 3 years after the date of the enact-
13 ment of this Act, the Comptroller General of the United
14 States shall conduct a study to estimate the reduction in
15 Federal disaster assistance that has resulted and is likely
16 to result from the enactment of this Act.

17 **SEC. 208. REPORT ON ASSISTANCE TO RURAL COMMU-**
18 **NITIES.**

19 Not later than 180 days after the date of the enact-
20 ment of this Act, the Director of the Federal Emergency
21 Management Agency shall prepare and transmit to Con-
22 gress a report on methods and procedures that the Direc-
23 tor recommends to accelerate the provision of Federal dis-
24 aster assistance under the Robert T. Stafford Disaster Re-

1 lief and Emergency Assistance Act (42 U.S.C. 5121 et
2 seq.) to rural communities.

3 **SEC. 209. STUDY REGARDING INSURANCE FOR PUBLIC IN-**
4 **FRASTRUCTURE.**

5 The Comptroller General of the United States shall
6 conduct a study to determine the current and future ex-
7 pected availability of disaster insurance for public infra-
8 structure eligible for assistance under section 406 of the
9 Robert T. Stafford Disaster Relief and Emergency Assist-
10 ance Act (42 U.S.C. 5170).

11 **SEC. 210. PUBLIC COMMENT REQUIREMENT.**

12 Title III (42 U.S.C. 5141–5164) (as amended by sec-
13 tion 201 of this Act) is amended by adding at the end
14 the following:

15 **“SEC. 323. PUBLIC COMMENT REQUIREMENT.**

16 “(a) IN GENERAL.—The Director of the Federal
17 Emergency Management Agency shall provide an oppor-
18 tunity for public comment before adopting any new or
19 modified policy that would have a meaningful impact on
20 the amount of disaster assistance that may be provided
21 to a State or local government by the President under this
22 Act.

23 “(b) RETROACTIVE APPLICATION OF POLICIES.—
24 The Director may not adopt any new or modified policy

1 that would retroactively reduce the amount of assistance
2 provided to a State or local government under this Act.”.

3 **TITLE III—MISCELLANEOUS**

4 **SEC. 301. TECHNICAL CORRECTION OF SHORT TITLE.**

5 The first section (42 U.S.C. 5121 note) is amended
6 to read as follows:

7 **“SECTION 1. SHORT TITLE.**

8 “This Act may be cited as the ‘Robert T. Stafford
9 Disaster Relief and Emergency Assistance Act’.”.

10 **SEC. 302. DEFINITION OF STATE.**

11 Section 102 (42 U.S.C. 5122) is amended in each of
12 paragraphs (3) and (4) by striking “the Northern” and
13 all that follows through “Pacific Islands” and inserting
14 “and the Commonwealth of the Northern Mariana Is-
15 lands”.

16 **SEC. 303. FIRE SUPPRESSION GRANTS.**

17 Section 420 (42 U.S.C. 5187) is amended by insert-
18 ing “and local government” after “State”.

19 **SEC. 304. BUY AMERICAN.**

20 (a) COMPLIANCE WITH BUY AMERICAN ACT.—No
21 funds authorized to be appropriated pursuant to this Act
22 or any amendment made by this Act may be expended by
23 an entity unless the entity, in expending the funds, com-
24 plies with the Buy American Act (41 U.S.C. 10a et seq.).

1 (b) DEBARMENT OF PERSONS CONVICTED OF
2 FRAUDULENT USE OF “MADE IN AMERICA” LABELS.—

3 (1) IN GENERAL.—If the Director of the Fed-
4 eral Emergency Management Agency determines
5 that a person has been convicted of intentionally
6 affixing a label bearing a “Made in America” in-
7 scription to any product sold in or shipped to the
8 United States that is not made in America, the Di-
9 rector shall determine, not later than 90 days after
10 determining that the person has been so convicted,
11 whether the person should be debarred from con-
12 tracting under the Robert T. Stafford Disaster Re-
13 lief and Emergency Assistance Act.

14 (2) DEBAR DEFINED.—In this section, the term
15 “debar” has the meaning given that term by section
16 2393(c) of title 10, United States Code.

Passed the House of Representatives March 4,
1999.

Attest:

Clerk.